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Testimony to the Division of Health Care Finance and Policy
Re: Health Care Provider and Payer Costs and Costs Trends
Presented by: David Matteodo, Executive Director
Massachusetts Association of Behavioral Health Systems
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On behalf of the Massachusetts Association of Behavioral Health Systems (MABHS), I appreciate the opportunity to offer this input to the Division of Heath Care Finance and Policy regarding health care costs and cost trends. The focus of our organization is on inpatient behavioral health issues, especially mental health and substance abuse. The MABHS represents 49 inpatient behavioral health facilities throughout Massachusetts, which is the overwhelming majority of inpatient behavioral health providers in our state. Altogether we admit over 60,000 patients annually. Our members include both private, freestanding psychiatric and substance abuse hospitals as well acute psychiatric units in general hospitals. We hope as the Division looks at the issues around costs and reimbursements that you pay special attention to the Behavioral Health Care System.

By way of background, in Massachusetts there are 2,380 private acute psychiatric beds, and 600 public Continuing Care beds in the Department of Mental Health (DMH only has 32 acute beds in their system). The breakdown of the acute private beds is as follows: 1,746 Adult; 347 Geriatric Psychiatric; and 287 Child/Adolescent. Roughly, 60% of the licensed beds are in units in general hospitals, and 40% are in the freestanding private psychiatric hospitals. These overall numbers have remained fairly consistent over the last seven years for our private system; however there has been some loss of certain beds in the general hospital system as increasingly the general hospitals are finding it difficult to financially maintain their units. Further, the Department of Mental Health has closed over 300 of their beds during this time period: since our systems are inter-related, we strongly hope the DMH does not close any additional Continuing Care beds.

Our hospitals primarily treat Public-Payer patients, as the average facilities' payer mix is approximately 38% Medicare; 29% Medicaid; and 33% Private/Other. Most of the Medicare patients on are on SSI Disability, although some are geriatric. Most of the Medicaid patients are covered by the Mass. Behavioral Health Partnership (MBHP), which administers behavioral health for Medicaid recipients in the PCC plan. The average length of stay is about eight days.

Our inpatient Behavioral Health system is very fragile. We believe the Behavioral Health System in Massachusetts is Underserved; Underfunded; and Over-Managed. Timely access to services can be very difficult as patients often have extensive wait times in Emergency Rooms before they can get a bed; timely follow up appointments to outpatient clinicians can be extremely problematic; and access to DMH longer term Continuing Care beds can be difficult as there is an ongoing Wait List for DMH referrals from our hospitals trying to discharge patients who need longer term care into the DMH system. Some of the access issues are due to a shortage of certain providers in particular areas; other access issues can be related to micro-management of our services by Insurance Companies.

Since the behavioral health field has to continually advocate for equity, either through Parity laws or Electronic Medical Records funding (see absence of such funding in the Federal Stimulus legislation), I thought it was important to come to present this Testimony so that the Division, as you analyze and make recommendations, pay close attention to the needs of those who have mental health or substance abuse issues. We were pleased that the Governor's bill, H.1849 has strong recognition of Behavioral Health in several of its major provisions: clearly the Governor's proposal recognizes the importance of the inclusion and integration of Behavioral Health in any new health delivery system. As H.1849 is now before the Legislature, we have provided Testimony to the Committee on Health Care Financing with several additional recommendations for their consideration.

In summary, we hope that in its analysis the Division will recognize the importance of including Behavioral Health in any new delivery models and that the new system results in improvements in access and funding for the full range of Behavioral Health services. **And once incorporated in any new system there must be protections to ensure that Behavioral Health is adequately funded; that necessary benefits are maintained; that there are sufficient providers in any health delivery networks; and that the Federal Parity law for Mental Health and Substance Abuse benefits is fully implemented.**

For too long, Behavioral Health has been treated differently by society and the health delivery system, as it has been "carved out" rather than recognized as an integral part of the health system. In order to confront the numerous issues in this field, Behavioral Health needs to be a priority for the Government, Insurers and Providers. We hope these Hearings have demonstrated the need to for making these services a high priority going forward.

Thank you for this opportunity to offer this Testimony.